

# Meridian Client Update

## SEC Again Delays Rulemaking on Key Dodd-Frank Provisions

Unable to meet its previously announced deadline of December 31, 2011, the Securities and Exchange Commission (SEC) is again delaying the expected date on which it will adopt final rules relating to the proxy disclosure and corporate governance provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”).

On January 3, 2012, the SEC announced that it will adopt final rules on the following Dodd-Frank provisions some time between the July 1, 2012 and-December 31, 2012 time period:

- Mandatory recoupment (clawback) policy and disclosure.
- Pay versus performance disclosure
- CEO pay ratio disclosure
- Disclosure of hedging by employees and directors

The delay in rulemaking means that the foregoing disclosure requirements will likely **not** be effective until 2013.

The SEC also plans to adopt final rules during the January-June 2012 time period (i) directing the national securities exchanges to adopt listing standards related to Dodd-Frank’s compensation committee independence standards, and (ii) modifying current rules on compensation consultant conflicts of interest disclosure. The delay in rulemaking means that the foregoing corporate governance requirements will not be effective until the third or fourth quarter of 2012, at the earliest.

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